# VILLAGE OF CALVIN, LOUISIANA Annual Financial Statements JUNE 30, 2012

# VILLAGE OF CALVIN, LOUISIANA



The Village of Calvin was incorporated under the Lawrason Act in October 2, 1951. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

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#### INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Jeff Canerday, Mayor & Members of the Board of Aldermen Calvin, Louisiana

We have reviewed the accompanying basic financial statements of the governmental activities and business-type activities of the Village of Calvin, Louisiana, as of and for the year ended June 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Village of Calvin, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Village of Calvin, Louisiana, is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated December 10, 2012, on the results of our agreed-upon procedures.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

John R. Vercher PC

Jena, Louisiana December 10, 2012

# Village of Calvin

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#### MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the Village, we offer readers of the Village of Calvin's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

#### Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$79,296 (net assets). This is a \$350 decrease from last year.
- The Village had total revenue of \$13,854, in which \$9,677 came from fees and charges. This is a \$7,143 decrease from last year's revenues, mainly due to a decrease in taxes in the amount of \$6,550.
- The Village had total expenditures of \$51,808, which is a \$2,488 decrease from last year. This decrease is due mainly to a decrease in personnel expenses in the amount of \$4,449.

#### Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$762,090 (net assets). This is a \$300,510 increase from last year.
- The Village had total revenue of \$394,077, including operating revenues of \$77,211, non-operating revenues of \$17, and capital contributions of \$316,849. This is a \$247,645 increase from last year, mainly due to an increase in capital contributions in the amount of \$292,949.
- The Village had total operating expenses of \$53,798 and total transfers out in the amount of \$39,769. Total operating expenses decreased by \$50,196 compared to last year, mainly due to a decrease in maintenance and repair in the amount of \$48,155.

See accountant's report.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

#### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our accountant has provided no assurance in his Independent Accountant's Report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the Independent Accountant's Report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

#### Reporting the Village's Most Significant Funds

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

## GOVERNMENTAL FUNDS

The following table represents a Comparative Statement of Net Assets as of June 30, 2012:

		2011	2012	% Change
Assets				
Cash & Investments	\$	16,555 \$	18,971	14.6%
Receivables (Net)		102	47	-53.9%
Prepaid Assets		1,324	1,324	0.0%
Capital Assets, Net of Accumulated Depreciation		63,140	60,975	-3.4%
Total Assets	,,,,,	81,121	81,317	0.2%
Liabilities & Net Assets				
Accounts, Salaries, & Other Payables		1,475	2,021	37.0%
Total Liabilities		1,475	2,021	37.0%
Net Assets				
Invested in Capital Assets, Net of Related Debt		63,140	60,975	-3.4%
Unrestricted		16,506	18,321	11.0%
Total Net Assets	\$	79,646 \$	79,296	-0.4%

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2012:

D	3///3	2011		2012	% Change
Revenues Fees & Charges	\$	8,015	\$	9,677	20.7%
Taxes	Ψ	9,982	43	3,432	-65.6%
Other Income		3,000		745	-75.2%
Total Revenues		20,997		13,854	-34.0%
Expenditures					
Personnel Expense		28,327		23,878	-15.7%
Other Administrative		9,219		12,169	32.0%
Utilities		7,354		7,423	0.9%
Repairs & Maintenance		9,396		8,338	-11.3%
Total Expenditures		54,296		51,808	-4.6%
Excess (Deficiency) of Revenues Over (Under) Expenditures		(33,299)		(37,954)	-14.0%
Other Financing Sources (Uses)					
Transfers In (Out)	South	33,433	o suunka	39,769	19.0%
Total Other Financing Sources (Uses)	•	33,433		39,769	19.0%
Net Change in Fund Balance		134		1,815	1,254.5%
Fund Balances—Beginning		16,372	9 7 <del>00.400</del>	16,506	0.8%
Fund Balances—Ending	\$	16,506	\$	18,321	11.0%

See accountant's report.

### ENTERPRISE FUNDS

The following table represents a Comparative Statement of Net Assets as of June 30, 2012:

		2011	2012	% Change
Assets	3.5		**************************************	
Cash & Investments	\$	110,753 \$	129,403	16.8%
Receivables (Net)		14,198	249,141	1,654.8%
Prepaid Assets		51	51	0.0%
Capital Assets, Net of Accumulated Depreciation		347,528	626,152	80.2%
Total Assets		472,530	1,004,747	112.6%
Liabilities & Net Assets				
Accounts, Salaries, & Other Payables		10,950	242,657	2,116.0%
Total Liabilities		10,950	242,657	2,116.0%
Net Assets				
Invested in Capital Assets, Net of Related Debt		347,528	626,152	80.2%
Unrestricted		114,052	135,938	19.2%
Total Net Assets	\$	461,580 \$	762,090	65.1%

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2012:

	2011	2012	% Change
Operating Revenues			
Charges for Services	\$ 79,069	\$ 77,211	-2.3%
Operating Grant	42,518	-0-	-100.0%
Total Operating Revenues	121,587	77,211	-36.5%
Operating Expenses			
Office Expense & Supplies	4,040	3,189	-21.1%
Maintenance & Repair	54,535	6,380	-88.3%
Depreciation	29,480	30,775	4.4%
Other Operating	8,840	4,405	-50.2%
Utilities	7,099	9,049	27.5%
Total Operating Expenses	103,994	53,798	-48.3%
Operating Income (Loss)	17,593	23,413	33.1%
Non-Operating Revenues (Expenses)			
Interest Income	945	17	-98.2%
Total Non-Operating Revenues (Expenses)	945		-98.2%
Income (Loss) Before Contributions & Transfers	18,538	23,430	26.4%
Transfers In/(Out)	(33,433)	(39,769)	-19.0%
Capital Contributions	23,900	316,849	1,225.7%
Change In Net Assets	9,005	300,510	3,237.1%
Total Net Assets – Beginning	452,575	461,580	2.0%
Total Net Assets – Ending	\$ 461,580	\$ 762,090	65.1%

See accountant's report.

#### CAPITAL ASSETS

#### **Governmental Fund**

At June 30, 2012, the Village had \$60,975 invested in capital assets, including the following:

#### Capital Assets at Year-End

	80	2011	2012
Capital Assets *	\$	196,591 \$	196,591
Accumulated Depreciation		(133,451)	(135,616)
Total	\$	63,140 \$	60,975

<sup>\*</sup> This amount includes Land in the amount of \$7,162 that is not being depreciated.

#### **Enterprise Fund**

At June 30, 2012, the Village had \$626,152 invested in capital assets, including the following:

#### Capital Assets at Year-End

 2011	2012
\$ 856,654 \$	1,173,503
354,906	347,456
(607,765)	(630,107)
 (256, 267)	(264,700)
\$ 347,528 \$	626,152
\$ 	354,906 (607,765) (256,267)

<sup>\*</sup>These amounts include Land in the amount of \$16,794 and Construction in Progress in the amount of \$307,549 that are not being depreciated.

#### CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show that the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Jeff Canerday at the Town Hall, phone number (318)727-9276.

#### JOHN R. VERCHER PC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Jeff Canerday, Mayor & Members of the Board of Aldermen Calvin, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Village of Calvin and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Village of Calvin's compliance with certain laws and regulations during the year ended June 30, 2012, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### Public Bid Law

- 1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).
- \*During our review of expenditures, we found that the Village began a water expansion project during the year, in which purchases were made in accordance with LSA-RS 38:2211-2251, the public bid law.
- 2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.
- \* Management provided us with the required list including the noted information.
- 3. Obtain from management a listing of all employees paid during the period under examination.
- \* Management provided us with the required list.

- 4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.
- \* None of the employees on the list appeared to be immediate family members of management.

#### Budgeting

- 5. Obtain a copy of the legally adopted budget and all amendments.
- \* We obtained a copy of the budget and the amended budget.
- 6. Trace the budget adoption and amendments to the minute book.
- \* We traced the budget adoptions to the minute book.
- 7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.
- \* The Village had a favorable revenue and a favorable expenditure variance.

#### Accounting and Reporting

- 8. Randomly select 6 disbursements made during the period under examination and:
  - (a) trace payments to supporting documentation as to proper amount and payee;
- \* We examined supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee.
  - (b) determine if payments were properly coded to the correct fund and general ledger account; and
- \* All of the payments were properly coded to the correct fund and general ledger account.
  - (c) determine whether payments received approval from proper authorities.
- \* Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Mayor of the Village.

#### Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).
- \* Discussions with the clerk and our review of the minutes found that the agendas for the meetings were posted.

#### Deht

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.
- \* We inspected all bank deposit entries in the books for the period under examination and found no new debt.

#### Advances and Bonuses

- 11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.
- \* A reading of the minutes of the Village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we did not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Calvin and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher PC

December 10, 2012 Jena, Louisiana



# Village of Calvin, Louisiana Statement of Net Assets June 30, 2012

#### PRIMARY GOVERNMENT

	GOVE	RNMENTAL		BUSINESS- TYPE		
	AC	TIVITIES		ACTIVITIES	2 <u>2-</u>	TOTAL
CURRENT ASSETS						
Cash & Cash Equivalents	\$	18,971	\$	100,341	\$	119,312
Investments		-0-		29,062		29,062
Receivables, Net of Allowances		47		7,036		7,083
Grants Receivable		-0-		242,105		242,105
Prepaid Assets	C/9000 Nov. (1971 at 102 bill)	1,324		51	0.00	1,375
TOTAL CURRENT ASSETS		20,342	_	378,595	-	398,937
NON-CURRENT ASSETS						2000 V 2 C
Capital Assets, Net of Accumulated Depreciation		60,975	***	626,152	-	687,127
TOTAL NON-CURRENT ASSETS		60,975	_	626,152	_	687,127
TOTAL ASSETS		81,317		1,004,747		1,086,064
	-		-		-	
LIABILITIES						
Accounts, Salaries, & Other Payables		2,021		552		2,573
Contractors Payable		-0-		242,105		242,105
TOTAL LIABILITIES	***********	2,021	_	242,657	_	244,678
NET ASSETS						
Invested in Capital Assets, Net of Related Debt		60,975		626,152		687,127
Unrestricted		18,321		135,938		154,259
TOTAL NET ASSETS	\$	79.296	\$	762,090	\$	841,386

See accountant's report.

The accompanying notes are an integral part of this statement.

For the Year Ended June 30, 2012 Village of Calvin, Louisiana Statement of Activities

	Total	\$ (44,296)	4,610 335,652 340,262	295,966	3,432 17 745 4,194	-0-	300,160	\$ 841,386
(EXPENSES) F PRIMARY MENT	Business Type Activities		4,610 335,652 340,262		-0- 17 -0-	(39,769)	300,510	461,580
NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT	Governmental Activities	\$ (44,296) \$ (44,296)			3,432 -0- 745 4,177	39,769	(350)	79,646 \$ 79,296 \$
	Net (Expenses) Revenue	(44,296)	4,610 335,652 340,262	295,966	FNUES		TS	
PROGRAM REVENUES	Capital Grants & Contributions	-0-	-0- 316,849 316,849	316,849 \$	GENERAL REVENUES Taxes Interest Revenue Other Income	TRANSFERS IN/(OUT)	CHANGE IN NET ASSETS	NET ASSETS - BEGINNING NET ASSETS - ENDING
PROGRAM	Charges for Services	\$ 779,6	18,010 59,201 77,211	\$ 86,888 \$	• • • • • • • • • • • • • • • • • • • •		Ū	
	Expenses	\$ (53,973)	(13,400) (40,398) (53,798)	\$ (107,771) \$				
		GOVERNMENTAL ACTIVITIES General Government TOTAL GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES Sewer Water TOTAL BUSINESS TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT				

See accountant's report.

The accompanying notes are an integral part of this statement.

# Village of Calvin, Louisiana Balance Sheet, Governmental Funds June 30, 2012

	GENERAL FUND			
ASSETS				
Cash & Cash Equivalents	\$	18,971		
Receivables, Net of Allowances		47		
Prepaid Assets		1,324		
TOTAL ASSETS		20,342		
LIABILITIES				
Accounts, Salaries, & Other Payables		2,021		
TOTAL LIABILITIES	*******	2,021		
FUND BALANCE				
Unassigned		18,321		
TOTAL FUND BALANCE	######################################	18,321		
TOTAL LIABILITIES & FUND BALANCE	\$	20,342		

See accountant's report.

The accompanying notes are an integral part of this statement.

## Village of Calvin, Louisiana Reconciliation of The Government Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets June 30, 2012

Amounts reported for governmental activities in the Statem	ent of Net Assets are o	lifferent because:		
Fund Balance, Total Governmental Funds (Statement C)			\$	18,321
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	Capital Assets Accum. Depr.	196,591 (135,616)		60,975
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.  Other			W-M-M-M-M-M-M-M-M-M-M-M-M-M-M-M-M-M-M-M	-0-
Net Assets of Governmental Activities (Statement A)			\$	79,296

# Village of Calvin, Louisiana Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2012

	-	GENERAL FUND
REVENUES		
Fees & Charges	\$	9,677
Taxes		3,432
Other Income		745
TOTAL REVENUES		13,854
EXPENDITURES		
Personnel Expense		23,878
Other Administrative		12,169
Utilities		7,423
Repairs & Maintenance		8,338
TOTAL EXPENDITURES	-	51,808
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)		
EXPENDITURES		(37,954)
O T		
OTHER FINANCING SOURCES (USES)		20.760
Transfers In (Out)	-	39,769
TOTAL OTHER FINANCING SOURCES (USES)	****	39,769
NET CHANGE IN FUND BALANCE		1,815
FUND BALANCES—BEGINNING		16,506
FUND BALANCES—ENDING	\$	18,321

See accountant's report.

The accompanying notes are an integral part of this statement.

# Village of Calvin, Louisiana Reconciliation of The Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Year Ended June 30, 2012

Amounts reported for governmental activities in the Statement of Activities are different because: \$ Net Change in Fund Balances, Total Governmental Funds, Statement E 1,815 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (2,165)The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. -0-Changes in Net Assets of Governmental Activities, Statement B \$ (350)

## Village of Calvin, Louisiana Statement of Net Assets, Proprietary Funds June 30, 2012

#### BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS

	ENTERPRISE FUNDS					<u> </u>
		SEWER FUND		WATER Fund		TOTAL
CURRENT ASSETS	-				_	
Cash & Cash Equivalents	\$	25,282	\$	75,059	\$	100,341
Investments		-0-		29,062		29,062
Receivables, Net of Allowances		1,626		5,410		7,036
Grants Receivable		-0-		242,105		242,105
Prepaid Insurance		18		33		51
TOTAL CURRENT ASSETS	_	26,926		351,669		378,595
Non-Current Assets						
		90 756		542 206		626 152
Capital Assets, Net of Accumulated Depreciation	27.00	82,756		543,396	8	626,152
TOTAL NON-CURRENT ASSETS		82,756		543,396	19 3 <b>3 3 3</b>	626,152
TOTAL ASSETS		109,682		895,065		1,004,747
LIABILITIES						
Accounts, Salaries, & Other Payables		131		421		552
Contractors Payable		-0-		242,105		242,105
TOTAL LIABILITIES	*****	131		242,526	CC 8 <del>144</del>	242,657
	****	-2-3		- v - se - me vide rest de diversitation	() E <del>-100</del>	**************************************
NET ASSETS						
Invested in Capital Assets, Net of Related Debt		82,756		543,396		626,152
Unrestricted	900	26,795	25.50	109,143	8444	135,938
TOTAL NET ASSETS	\$	109,551	\$	652,539	\$_	762,090

See accountant's report.

The accompanying notes are an integral part of this statement.

# Village of Calvin, Louisiana Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds June 30, 2012

BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS

	ENTERPRISE PUNDS				
	SEWER WATER				
		FUND		FUND	TOTAL
OPERATING REVENUES	*****		_		
Charges for Services	\$	18,010	\$	59,201 \$	77,211
TOTAL OPERATING REVENUES	Ψ	18,010	Ψ	59,201	77,211
TOTAL OPERATING REVENUES		10,010	-	37,201	11,211
Oppositive Eventuers					
OPERATING EXPENSES		444		2 070	7 100
Office Expense & Supplies		111		3,078	3,189
Maintenance & Repair		1,062		5,318	6,380
Depreciation		8,433		22,342	30,775
Other Operating		983		3,422	4,405
Utilities		2,811		6,238	9,049
TOTAL OPERATING EXPENSES	-	13,400	35000	40,398	53,798
	, <del>,,,,,</del>		35000		***************************************
OPERATING INCOME (LOSS)		4,610		18,803	23,413
OT MINITED (MODE)		1,010	11.00	10,005	20,110
Non-Operating Revenues (Expenses)					
Interest Income		17		-0-	17
	2000	17	\$2 <b>00</b>	-0-	
TOTAL NON-OPERATING REVENUES (EXPENSES)		17	-	-0-	17
				40.000	88 188
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS		4,627		18,803	23,430
				10.0.000	78 <u>2 _8 799</u> 8
Transfers In/(Out)		(9,770)		(29,999)	(39,769)
CAPITAL CONTRIBUTIONS	-	0	-	316,849	316,849
CHANGE IN NET ASSETS		(5,143)		305,653	300,510
		00 T (00 00 00 00 00 00 00 00 00 00 00 00 00		Age and have beforessen, more	
TOTAL NET ASSETS - BEGINNING		114,694		346,886	461,580
TOTAL NET ASSETS - ENDING	\$	109,551	s <sup>-</sup>	652,539 \$	762,090
	_		_		

# Village of Calvin, Louisiana Statement of Cash Flows Proprietary Funds June 30, 2012

BUSINESS TYPE ACTIVITIES

	ENTERPRISE FUNDS				
		SEWER	WATER		
		FUND	FUND	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers & Users	\$	18,364	\$ 66,009 \$	84,373	
Payments to Suppliers	-	(15,786)	(17,635)	(33,421)	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	_	2,578	48,374	50,952	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers To Other Funds		(9,770)	(29,999)	(39,769)	
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	***	(9,770)	(29,999)	(39,769)	
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES					
Capital Grants Received		-0-	316,849	316,849	
Capital Outlay		-0-	(316,849)	(316,849)	
Reduction of Capital Assets		7,450	-0-	7,450	
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES		7,450	-0-	7,450	
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income		17	-0-	17	
(Increase) Decrease in Investments		-0-	18,749	18,749	
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		17	18,749	18,766	
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS		275	37,124	37,399	
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	4000	25,007	37,935	62,942	
CASH & CASH EQUIVALENTS, END OF YEAR	_	25,282	75,059	100,341	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH					
PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)		4,610	18,803	23,413	
Depreciation Expense		8,433	22,342	30,775	
(Increase) Decrease in Accounts Receivable		354	6,808	7,162	
(Increase) Decrease in Prepaid Assets		-0-	-0-	-0-	
Increase (Decrease) in Accounts Payables		(10,819)	421	(10,398)	
TOTAL ADJUSTMENTS		(2,032)	29,571	27,539	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<b>\$</b> _	2,578	\$\$\$_	50,952	

See accountant's report.

The accompanying notes are an integral part of this statement.

# Notes To The Basic Financial Statements

#### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Calvin was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounting and reporting policies of the Village of Calvin conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

#### A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

# NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

Enterprise Fund-Water and Sewer

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

#### C. FIXED ASSETS

For the year ended June 30, 2012, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	Life In Years
Buildings	40
Water System	40
Sewer System	40
Equipment	5-10

# NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### D. CASH & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Village's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. The categories are described as follows:

- Category I Insured or collateralized with securities held by the Village or by its agent in the Village's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- Category 3 Uncollateralized.

All cash and investments were fully secured at year end.

#### E. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

#### F. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

At June 30, 2012, no reserve for bad debts was required in the general fund since the estimated uncollectible receivables outstanding were considered immaterial. At June 30, 2012 the receivables were as follows:

	Enterprise Fund				Governmental Fund
	Water Fund		Sewer Fund		General Fund
Tax & License	\$ -0-	\$	-0-	\$	47
Grants	242,105		-0-		-0-
Customer	5,680		1,707		-0- -0-
Allowance for Bad Debts	(270)		(81)		-0-
Total	\$ 247,515	\$_	1,626	\$	47

# NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### G. COMPENSATED ABSENCES

The Village has no compensated absence policy.

#### (2) AD VALOREM TAXES

The Village levies taxes on real and business personal property located within its boundaries. The Village utilizes the services of the Winn Parish Tax Assessor to assess the property values and prepare the Village's property tax roll. The Village bills and collects its own property taxes.

Property Tax Calendar				
Assessment Date	January 1			
Levy Date	No Later Than June 1			
Tax Bills Mailed	On or About October 15			
Total Taxes Are Due	December 31			
Penalties and Interest are Added	January 1			
Lien Date	January 1			
Ad Valorem Taxes are broken down as follows:				
	Mills			
General Alimony	5.33			

#### (3) FIXED ASSETS

#### PROPERTY ENTERPRISE FUND: PLANT & EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2012, is as follows:

Water	Balance 6-30-2011	_	Additions	_	Deletions	a a	Balance 6-30-2012
Water  Distribution System & Equipment*  Accumulated Depreciation	\$ 856,654 (607,765)	\$	316,849 (22,342)	\$	-0- -0-	\$	1,173,503 (630,107)
Net	248,889	_	294,507		-0-	_	543,396
Sewer							
Plant & Equipment*	354,906		-0-		(7,450)		347,456
Accumulated Depreciation	(256,267)		(8,433)		-0-		(264,700)
Net	\$ 98,639	\$	(8,433)	\$	(7,450)	\$	82,756

<sup>\*</sup>Water - Land in the amount of \$7,597 and Construction in Progress in the amount of \$307,549 are included in this amount and are not being depreciated.

<sup>\*</sup>Sewer - Land in the amount of \$9,197 is included in this amount and is not being depreciated.

# NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

	40 Years
Water Plant	40 Years
Equipment	5-10 Years

#### GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2012, is as follows:

		Balance 6-30-2011	Additions (Deletions)	Balance 6-30-2012
Fixed Assets*	\$	196,591	\$ -0-	\$ 196,591
Accumulated Depreciation		(133,451)	(2,165)	(135,616)
Net	\$ _	63,140	\$ (2,165)	\$ 60,975

<sup>\*</sup>This amount includes Land in the amount of \$7,162 that is not being depreciated.

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings & Improvements	40 Years

#### (4) LITIGATION

The Village of Calvin is involved in no litigation at June 30, 2012, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

#### (5) ELECTED OFFICIAL'S SALARIES

Name Title		Compensation
Jeff Canerday	Mayor	-0-
Bobby D. Canerday	Alderman	-0-
John Wayne Canerday	Alderman	-0-
Ronald Abels	Alderman	-0-

#### (6) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

### (7) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

# (8) TRANSFERS

Transfers From/To Other Funds						
Fund		Transfers In		Transfers Out		Total
General	\$	39,769	\$	-0-	\$	39,769
Water		-0-		(29,999)		(29,999)
Sewer		-0-		(9,770)		(9,770)
Total	\$	39,769	\$	(39,769)	\$	-0-

The transfers to the general fund were made for general expenditures.

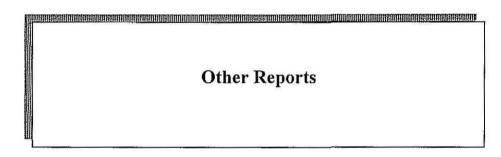
Required Supplemental Information

# Village of Calvin, Louisiana Statement of Revenues, Expenditures, & Changes in Fund Balance Budget and Actual General Fund For the Year Ended June 30, 2012

	BUDGET AMOUNTS						BUDGET TO
	_	Original	_	Final		ACTUAL AMOUNTS BUDGETARY BASIS	ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
REVENUES							
Fees & Charges	\$	8,000	\$	9,732	\$	9,677	\$ 
Taxes		9,982		3,495		3,432	(63)
Other Income	-	3,000		225		745	520
TOTAL REVENUES	_	20,982		13,452		13,854	 402
Expenditures							
Personnel Expense		28,479		24,401		23,878	523
Other Administrative		10,550		12,146		12,169	(23)
Utilities		7,415		7,125		7,423	(298)
Repairs & Maintenance		7,793	. 22	8,339	R 1644	8,338	 1
TOTAL EXPENDITURES		54,237		52,011		51,808	203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(33,255)		(38,559)	-	(37,954)	605
OTHER FINANCING SOURCES (USES) Transfers In (Out) TOTAL OTHER FINANCING SOURCES		34,025	e 1 <b></b>	39,769		39,769	-0-
(USES)	-	34,025	( ( <u>1888</u>	39,769		39,769	
NET CHANGE IN FUND BALANCE	<b>\$</b> _	770	\$_	1,210		1,815	\$ 605
FUND BALANCESBEGINNING FUND BALANCESENDING					\$_	16,506 18,321	

See accountant's report.

The accompanying notes are an integral part of this statement.



# VILLAGE OF CALVIN, LOUISIANA

# MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

## **CURRENT YEAR MANAGEMENT LETTER COMMENTS**

There are no current year comments.

#### VILLAGE OF CALVIN, LOUISIANA

# MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor State of Louisiana Baton Rouge, Louisiana 70804-9397

The management of the Village of Calvin, Louisiana has provided the following action summaries relating to management letter findings brought to their attention as a result of their financial compilation for the year ended June 30, 2011.

#### PRIOR YEAR FINDINGS

#### 2011-M-1 Annual Filing of Financial Statements (Resolved)

*Finding:* The Village did not timely file their financial statements with the legislative auditor. LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

Corrective Action: The Village filed its financial statements within six months of its year end closing.

#### 2011-M-2 Budget Variances (Resolved)

*Finding:* The Village had an unfavorable revenue variance of \$1,528 or 6.8% in its governmental fund during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%.

*Corrective Action:* The Village amended the budget when there was an unfavorable variance of more than 5%.

### LOUISIANA ATTESTATION QUESTIONNAIRE

#### JOHN R. VERCHER PC

Certified Public Accountants P.O. Box 1608 Jena, Louisiana 71342 Tel: (318) 992-6348

Fax: (318) 992-4374

In connection with your review of our financial statements as of June 30, 2012, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 10, 2012.

#### Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes[x]No[]

#### Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [x] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [x ] No []

#### Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [x] No []

#### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [x] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [x]No[]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [x] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes[x] No[]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60.

Yes [x] No []

**Advances and Bonuses** 

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [x] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Signed:

Title: